

## **Department of Veterans Affairs (VA)**

### **Executive Order 13520 – Reducing Improper Payments**

### **FY 2012 Third Quarter High-Dollar Overpayments Report**

The President signed Executive Order 13520, “Reducing Improper Payments” on November 20, 2009. On March 22, 2010, the Office of Management and Budget (OMB) issued Governmentwide guidance on the implementation of the Executive Order. The guidance is under Part III, Appendix C of OMB Circular A-123. This guidance requires agencies with programs susceptible to significant improper payments to submit to the agency’s Inspector General and the Council of Inspectors General on Integrity and Efficiency, and make available to the public, a quarterly report on any high-dollar overpayments identified by the agency.

In its 2011 Performance and Accountability Report, VA reported five programs under the Veterans Benefits Administration (VBA) and four programs under the Veterans Health Administration (VHA) that meet the Improper Payments Elimination and Recovery Act of 2010 (IPERA) thresholds for susceptibility to significant improper payments. These programs are Compensation, Pension, Education, Insurance, Vocational Rehabilitation and Employment (VR&E), Non-VA Care Fee, Other Contractual Services, State Home Per Diem Grants, and Supplies and Materials.

In accordance with OMB Circular A-123, Appendix C, Part III, VBA and VHA reviewed the nine programs susceptible to significant improper payments. The OMB guidelines define a high-dollar improper payment as any payment in excess of 50 percent of the correct amount of the intended payment under the following circumstances:

1. Where the total payment to an individual exceeds \$5,000 as a single payment or in cumulative payments for the quarter; or
2. Where a payment to an entity exceeds \$25,000 as a single payment or in cumulative payments for the quarter.

The OMB guidelines require that agencies submit, on a quarterly basis, a report to:

1. List all high-dollar overpayments identified by the agency during the quarter;
2. Describe whether each high-dollar overpayment was made to an entity or individual, and the city/county and state where that entity or individual was located;
3. List the program responsible for each high-dollar overpayment error;
4. Describe any actions the agency has taken or plans to take to recover high-dollar overpayments; and
5. Describe any actions the agency will take to prevent overpayments from occurring in the future.

The report is divided into nine parts for each program area, and the high-dollar overpayments are identified from the highest to lowest overpayments within each program area. In addition to OMB’s guidelines, our report includes two additional categories: the cause of overpayment and the status of overpayment. The status of an overpayment will be “collection in progress,” or “collection in full.” Collection in Progress is defined as actions taken by VA to recover from future benefit awards or payments, referral to the Treasury Offset Program, or request to return money that was paid after the death of a beneficiary through reclamation procedures. Veterans also have dispute and waiver request rights during the collection processes.

Beginning the second quarter of 2012, Compensation and Pension high-dollar overpayments reporting are no longer combined due to reorganization within VBA. These programs were divided into two distinct services to allow for greater infrastructure and oversight of each program area.

## **1. Compensation Program**

VBA uses analytical procedures to improve the statistical validity of the high dollar overpayment review. This procedure requires a review of a stratified random sample of the total number of overpayments. There were 4,072 compensation overpayments identified in the third quarter of FY 2012. A random sample of 385 overpayments was reviewed. The review revealed that 83 (22 percent) were compensation high dollar overpayments, and 302 (78 percent) were compensation payments that did not meet the high dollar

overpayment criteria. Based on these results, we projected that 896 of 4,072 overpayments originally identified were high dollar compensation overpayments, and an estimated 3,176 were payments that did not meet the high dollar overpayment criteria. These results are based on estimates at a 95 percent confidence level with a  $\pm 5$  percent interval.

Compensation Service identified 83 high-dollar compensation overpayments.

Thirty-one overpayments (37 percent) were created due to the death of the beneficiary. Entitlement to benefits ceases effective the first day of the month in which death occurs. These overpayments are caused when a beneficiary dies too late in a month to stop the release of the payment for the month of death, or when VA is not timely notified of the death of a beneficiary. While VA has a death match program with the Social Security Administration (SSA), the match is received monthly from SSA, and usually after a benefit payment has been released. The number of overpayments following death has been reduced as a result of VA's VETSNET "real time" processing technology.

Twenty-two overpayments (27 percent) were caused when Veterans returned to Active Duty status. The Department of Defense runs a quarterly match of the active duty and VA disability files to identify persons who are receiving active duty pay and VA disability benefits concurrently. Once notified of active duty status, VA must provide due process notice to the beneficiary before any adjustment may occur.

Six overpayments (7 percent) were caused by retroactive adjustments due to incarceration or fugitive felon status. Notification of incarceration is a function of agreements made with states, the Bureau of Prisons, and other law enforcement agencies. Once notified of a beneficiary's incarceration, VA must provide due process notice to the beneficiary before any adjustment may occur. Law enforcement agencies notify VA when a beneficiary has been identified as a fugitive felon. Once notified, VA must provide due process notice to the beneficiary before any adjustment may occur.

Fourteen overpayments (17 percent) were caused by changes in dependency. VA beneficiaries may receive additional monetary allowance for eligible dependents. In some cases, VA is not notified timely when there is a change in dependency status due to circumstances such as divorces or a school-aged child who is no longer attending school. If we receive first-party information from the beneficiary indicating the change in dependency status, VA will adjust the award to reflect the change. When this type of information is received from a third-party source, VA must provide due process notice to the beneficiary before any adjustment may occur.

Nine overpayments (11 percent) were due to a variety of reasons to include military retired pay adjustments or a change in countable income for beneficiaries.

One overpayment (1 percent) was identified, but there was insufficient information available electronically to determine the period covered by the overpayment and/or the propriety or cause of the overpayment.

Some VA overpayments are inherent based on the requirements of 38 CFR § 3.103, Procedural Due Process and Appellate Rights, which does not allow VA to take adverse action regarding the payment of benefits without providing the beneficiary 60 days advance notice, unless the beneficiary requests that VA take the adverse action immediately. This "due process" period extends an overpayment period by 2 months. An exception to this requirement is when VA is notified of a beneficiary's death.

Total Compensation Payments made this quarter: \$13,708,113,806.00

Projected High-Dollar Overpayments for this quarter: \$131,638,998.00

Percentage of High-Dollar Overpayments to Compensation payments: 0.96

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$123,409.00	Individual	Indianapolis	IN	Dependency Issue	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$119,944.00	Individual	Beaumont	TX	Other		Collection in Progress	
\$85,973.00	Individual	Bradenton	FL	Other		Collection in Full	
\$39,044.00	Individual	Sheridan	WY	Fugitive Felon		Collection in Progress	
\$34,988.00	Individual	Key West	FL	Death of Beneficiary		Collection in Progress	
\$32,942.00	Individual	Fleming	GA	Return to Active Duty		Collection in Progress	
\$31,922.00	Individual	San Antonio	TX	Return to Active Duty		Collection in Progress	
\$31,577.00	Individual	El Dorado	KS	Incarcerated		Collection in Progress	
\$30,394.00	Individual	Wiggins	MS	Incarcerated		Collection in Progress	
\$27,142.00	Individual	Columbia	SC	Return to Active Duty		Collection in Progress	
\$26,730.00	Individual	Fort Dodge	IA	Return to Active Duty		Collection in Progress	
\$25,523.00	Individual	Hopewell	VA	Incarcerated		Collection in Progress	
\$24,259.00	Individual	Eden Prairie	MN	Death of Beneficiary		Collection in Progress	
\$22,453.00	Individual	Miramar	FL	Return to Active Duty		Collection in Progress	
\$19,894.00	Individual	Flower Mound	TX	Death of Beneficiary		Collection in Progress	
\$19,730.00	Individual	Merrillville	IN	Dependency Issue		Collection in Progress	
\$19,487.00	Individual	Westmoreland	NY	Return to Active Duty		Collection in Progress	
\$18,464.00	Individual	Jacksonville	NC	Unknown		Collection in Progress	
\$18,459.00	Individual	San Antonio	TX	Dependency Issue		Collection in Progress	
\$17,368.00	Individual	Niles	OH	Other		Collection in Full	
\$15,827.00	Individual	Pittsburgh	PA	Death of Beneficiary		Collection in Progress	
\$14,312.00	Individual	Coconut Creek	FL	Death of Beneficiary		Collection in Progress	
\$13,818.00	Individual	Helena	MT	Death of Beneficiary		Collection in Full	
\$13,365.00	Individual	Glenville	WV	Death of Beneficiary		Collection in Progress	
\$13,209.00	Individual	Killeen	TX	Return to Active Duty		Collection in Progress	
\$13,191.00	Individual	Norfolk	VA	Return to Active Duty		Collection in Progress	
\$12,210.00	Individual	San Antonio	TX	Return to Active Duty		Collection in Progress	
\$11,787.00	Individual	Columbus	OH	Income Change		Collection in Progress	
\$10,775.00	Individual	Tacoma	WA	Return to Active Duty		Collection in Progress	
\$10,332.00	Individual	Virginia Beach	VA	Return to Active Duty		Collection in Progress	
\$10,116.00	Individual	Newport News	VA	Death of Beneficiary		Collection in Progress	
\$10,054.00	Individual	St Cloud	MN	Incarcerated		Collection in Progress	
\$9,625.00	Individual	Omaha	NE	Incarcerated		Collection in Progress	
\$9,077.00	Individual	Everett	WA	Dependency Issue		Collection in Progress	
\$8,772.00	Individual	Beaumont	TX	Death of Beneficiary		Collection in Progress	
\$8,772.00	Individual	Effort	PA	Death of Beneficiary		Collection in Progress	
\$8,694.00	Individual	Ogden	UT	Death of Beneficiary		Collection in Progress	
\$8,534.00	Individual	Coon Rapids	MN	Other		Collection in Progress	
\$8,363.00	Individual	Missouri City	TX	Return to Active Duty		Collection in Progress	
\$8,307.00	Individual	Miami	FL	Death of Beneficiary		Collection in Progress	
\$8,202.00	Individual	Vacaville	CA	Return to Active Duty		Collection in Progress	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$7,824.00	Individual	Montgomery	AL	Military Retired Pay	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$7,588.00	Individual	Baltimore	MD	Death of Beneficiary		Collection in Full	
\$7,536.00	Individual	Hamlet	IN	Dependency Issue		Collection in Progress	
\$7,170.00	Individual	Vancouver	WA	Death of Beneficiary		Collection in Full	
\$7,129.00	Individual	Palmdale	CA	Death of Beneficiary		Collection in Progress	
\$7,125.00	Individual	Roanoke	VA	Dependency Issue		Collection in Progress	
\$7,064.00	Individual	Sandy	UT	Death of Beneficiary		Collection in Full	
\$7,064.00	Individual	Charlotte	NC	Death of Beneficiary		Collection in Full	
\$6,909.00	Individual	Tuscaloosa	AL	Death of Beneficiary		Collection in Progress	
\$6,744.00	Individual	Mechanicsburg	PA	Death of Beneficiary		Collection in Full	
\$6,675.00	Individual	Caguas	PR	Other - Attorney Fees		Collection in Progress	
\$6,583.00	Individual	Henrico	VA	Return to Active Duty		Collection in Progress	
\$6,405.00	Individual	West Columbia	SC	Dependency Issue		Collection in Progress	
\$6,119.00	Individual	Tucson	AZ	Return to Active Duty		Collection in Progress	
\$5,975.00	Individual	Plymouth	IN	Death of Beneficiary		Collection in Progress	
\$5,964.00	Individual	Springville	UT	Death of Beneficiary		Collection in Progress	
\$5,893.00	Individual	Cisco	TX	Death of Beneficiary		Collection in Progress	
\$5,890.00	Individual	Washington	PA	Dependency Issue		Collection in Progress	
\$5,886.00	Individual	San Antonio	TX	Return to Active Duty		Collection in Progress	
\$5,855.00	Individual	Lenoir	NC	Return to Active Duty		Collection in Progress	
\$5,848.00	Individual	Waterville	ME	Death of Beneficiary		Collection in Full	
\$5,736.00	Individual	Bourbonnais	IL	Death of Beneficiary		Collection in Progress	
\$5,682.00	Individual	Brentwood	CA	Dependency Issue		Collection in Progress	
\$5,580.00	Individual	Vancouver	WA	Dependency Issue		Collection in Progress	
\$5,580.00	Individual	Markesan	WI	Return to Active Duty		Collection in Full	
\$5,538.00	Individual	Whitney	TX	Death of Beneficiary		Collection in Progress	
\$5,538.00	Individual	Greenfield	MA	Death of Beneficiary		Collection in Progress	
\$5,527.00	Individual	Mesa	AZ	Return to Active Duty		Collection in Progress	
\$5,285.00	Individual	Aberdeen	WA	Dependency Issue		Collection in Progress	
\$5,281.00	Individual	Greenacres	FL	Other		Collection in Progress	
\$5,188.00	Individual	Kansas City	MO	Dependency Issue		Collection in Full	
\$4,599.00	Individual	Columbus	GA	Income Change		Collection in Progress	
\$4,415.00	Individual	Bonney Lake	WA	Death of Beneficiary		Collection in Progress	
\$4,200.00	Individual	Flatts	Bermuda	Dependency Issue		Collection in Progress	
\$4,041.00	Individual	Port Orange	FL	Return to Active Duty		Collection in Progress	
\$3,576.00	Individual	Adrian	MI	Dependency Issue		Collection in Progress	
\$3,490.00	Individual	Fairfield	CA	Return to Active Duty		Collection in Progress	
\$3,325.00	Individual	Pineville	LA	Return to Active Duty		Collection in Progress	
\$3,100.00	Individual	Clifton	VA	Death of Beneficiary		Collection in Full	
\$2,924.00	Individual	Tampa	FL	Month of Death		Collection in Progress	
\$2,924.00	Individual	Mesa	AZ	Death of Beneficiary		Collection in Full	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$2,769.00	Individual	Vale	OR	Death of Beneficiary		Collection in Progress	

Note:

- Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.
- VBA established a workgroup in March 2012 that will review the Compensation program, and identify best practices for reducing high-dollar overpayments.
- VBA manages timeliness of completing action on issues involving potential overpayments, by using special controls such as the workload End Product 690.
- Field personnel monitor exception reports and take corrective action when system-generated messages indicate there are potential overpayments. Claims processors are directed to initiate action within 30 days of receiving these notices.
- VBA requires field personnel take immediate action to resolve claims involving due process, once their associated controls mature. This reduces the amount of potential overpayments created through delayed processing.

## 2. Pension Program

VBA uses analytical procedures to improve the statistical validity of the high dollar overpayment review. This procedure requires a review of a stratified random sample of the total number of overpayments. There were 6,781 overpayments identified in the third quarter of FY 2012. A random sample of 385 overpayments was reviewed. The review revealed that 127 (33 percent) were pension high dollar overpayments, and 258 (67 percent) were pension payments that did not meet the high dollar overpayment criteria. Based on these results, we projected that 2,238 overpayments originally identified were high dollar pension overpayments, and an estimated 4,543 were payments that did not meet the high dollar overpayment criteria. These results are based on estimates at a 95 percent confidence level with a  $\pm 5$  percent interval.

Following is a breakdown of the 127 high-dollar pension overpayments.

Ninety-seven (76 percent) were due to a change in countable income or a change in unreimbursed medical expenses. Increases in countable income may result in high dollar overpayments when there are not enough medical expenses to reduce the countable income, or if the income itself has increased.

- Beneficiaries that receive pension before the end of the month of August, and who are not exempt from reporting their income, receive an Eligibility Verification Report (EVR) form in January of the following year. Beneficiaries use these forms to report income for the prior calendar year, and have 60 days to return them. If the returned information is insufficient, VBA makes an additional request and provides the beneficiary an additional 60 days to submit the requested evidence. If a beneficiary fails to respond after the additional 60 days, VBA suspends the beneficiary's award and takes steps to terminate the award, retroactively to January 1 of the current EVR period.
- VBA receives information from several Federal agencies and compares it to information already of record to determine eligibility for continuation of benefits. Two agencies that provide data to VBA through matching programs are the Internal Revenue Service (IRS) and the Social Security Administration (SSA). A pension recipient's benefits may be reduced or terminated based on underreported countable income identified through these matching agreements.
- The EVR process and the data matching agreements with other Federal agencies ensure that VBA appropriately processes the necessary adjustments in countable income upon notification regarding a change in countable income or unreimbursed medical expenses.

Seventeen (13 percent) were due to the death of the beneficiary. Entitlement to benefits ceases effective the first day of the month in which death occurs. These overpayments occur when a beneficiary dies too late in the month to stop the release of the payment for the month of death, or when VBA is not timely notified of the death of the beneficiary. While VBA has a death match program with SSA, it is a monthly match regarding prior benefit payments.

Eleven (9 percent) were due to retroactive adjustments due to incarceration or fugitive felon status. Notification of incarceration is a function of agreements made with state and local law enforcement agencies. VA must provide due process before reducing an award when notified by law enforcement agencies of the beneficiary's incarceration or fugitive felon status.

One (1 percent) was due to dependency changes. VA beneficiaries may receive additional monetary allowances for eligible dependents. In some cases, VA is not notified timely of a change in the dependency status due to the death of or divorce from a dependent spouse, or a school-age child who is no longer attending school. First-party information received from a beneficiary indicating a change in dependency status will result in a change to their award. VA must provide due process when notified by a third-party before adjusting the beneficiary's benefits.

One (1 percent) was identified but insufficient information was available electronically to determine the overpayment and/or the propriety or cause of the overpayment.

Total Pension Payments made this quarter: \$1,257,375,033.51  
Projected High-Dollar Overpayments for this quarter: \$28,068,502.81  
Percentage of High-Dollar Overpayments: 2.23

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$131,454.07	Individual	Boulder	CO	Fugitive Felon	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$84,146.00	Individual	Brooklyn	NY	Income Change		Collection in Progress	
\$59,816.00	Individual	Ft Lauderdale	FL	Death of Beneficiary		Collection in Progress	
\$51,827.00	Individual	Saginaw	MI	Income Change		Collection in Progress	
\$47,082.00	Individual	Columbia	MO	Income Change		Collection in Progress	
\$43,268.00	Individual	Revere	MA	Income Change		Collection in Progress	
\$41,268.00	Individual	Jacksonville	FL	Income Change		Collection in Progress	
\$39,400.00	Individual	Alton	IA	Income Change		Collection in Progress	
\$35,704.00	Individual	Sylmar	CA	Income Change		Collection in Progress	
\$35,676.00	Individual	Chicago	IL	Income Change		Collection in Progress	
\$34,824.00	Individual	Arlington	TX	Income Change		Collection in Progress	
\$33,553.00	Individual	Albuquerque	NM	Income Change		Collection in Progress	
\$33,456.00	Individual	Webster	TX	Income Change		Collection in Progress	
\$30,715.00	Individual	Warwick	RI	Income Change		Collection in Progress	
\$30,458.00	Individual	Lakewood	CO	Dependency Issue		Collection in Progress	
\$30,405.00	Individual	Albuquerque	NM	Death of Beneficiary		Collection in Progress	
\$29,672.00	Individual	Castro Valley	CA	Income Change		Collection in Progress	
\$25,687.00	Individual	Ann Arbor	MI	Income Change		Collection in Progress	
\$24,537.00	Individual	Cary	IL	Income Change		Collection in Progress	
\$24,264.00	Individual	Dallas	TX	Income Change		Collection in Progress	
\$23,370.00	Individual	Muscle Shoals	AL	Income Change		Collection in Progress	
\$23,193.00	Individual	Green Forest	AR	Income Change		Collection in Progress	
\$23,035.00	Individual	Greensboro	NC	Income Change		Collection in Progress	
\$22,462.00	Individual	Hibbing	MN	Income Change		Collection in Progress	
\$22,008.00	Individual	Amarillo	TX	Income Change		Collection in Progress	
\$21,649.00	Individual	Washington	PA	Death of Beneficiary		Collection in Progress	
\$21,063.00	Individual	Helenwood	TN	Income Change		Collection in Progress	
\$20,000.00	Individual	Palm Springs	CA	Income Change		Collection in Full	
\$19,794.00	Individual	Carmel	IN	Income Change		Collection in Full	
\$19,703.00	Individual	Lisbon	ND	Income Change		Collection in Progress	
\$19,280.00	Individual	Chesterfield	MO	Income Change		Collection in Progress	
\$18,835.00	Individual	Winnetka	CA	Incarcerated		Collection in Progress	
\$18,600.00	Individual	Siletz	OR	Income Change		Collection in Progress	
\$18,180.00	Individual	Parsippany	NJ	Income Change		Collection in Progress	
\$17,952.00	Individual	Port Arthur	TX	Income Change		Collection in Progress	
\$17,381.00	Individual	Cisco	TX	Income Change		Collection in Progress	
\$17,329.00	Individual	El Cajon	CA	Income Change		Collection in Progress	
\$17,124.00	Individual	Fort Wayne	IN	Income Change		Collection in Progress	
\$17,086.00	Individual	Nazareth	PA	Income Change		Collection in Progress	
\$17,086.00	Individual	Teaneck	NJ	Income Change		Collection in Progress	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$16,507.00	Individual	Lily	KY	Income Change	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$16,005.00	Individual	Loxley	AL	Incarcerated		Collection in Progress	
\$15,976.00	Individual	Ponce	PR	Income Change		Collection in Progress	
\$15,261.00	Individual	Monroe	MI	Income Change		Collection in Progress	
\$15,234.00	Individual	San Diego	CA	Incarcerated		Collection in Progress	
\$15,177.00	Individual	Mesa	AZ	Income Change		Collection in Progress	
\$15,006.00	Individual	Zapata	TX	Income Change		Collection in Progress	
\$14,775.00	Individual	Lancaster	CA	Income Change		Collection in Full	
\$14,668.00	Individual	Landover	MD	Income Change		Collection in Progress	
\$14,594.00	Individual	Tunnel Hill	GA	Income Change		Collection in Progress	
\$14,411.00	Individual	Woodland	CA	Income Change		Collection in Progress	
\$14,400.00	Individual	Texas City	TX	Income Change		Collection in Progress	
\$14,333.00	Individual	Winder	GA	Income Change		Collection in Progress	
\$14,006.00	Individual	Knoxville	TN	Income Change		Collection in Progress	
\$13,918.00	Individual	Gahanna	OH	Income Change		Collection in Progress	
\$13,140.00	Individual	Hampden	ME	Income Change		Collection in Progress	
\$12,862.00	Individual	Brecksville	OH	Income Change		Collection in Progress	
\$12,550.00	Individual	Las Vegas	NV	Income Change		Collection in Progress	
\$12,421.00	Individual	Malakoff	TX	Income Change		Collection in Progress	
\$11,664.00	Individual	Lakewood	WA	Incarcerated		Collection in Progress	
\$11,401.00	Individual	Park Hill	OK	Income Change		Collection in Progress	
\$11,388.00	Individual	El Cajon	CA	Income Change		Collection in Progress	
\$11,268.00	Individual	Forestville	CT	Unknown		Collection in Progress	
\$10,975.00	Individual	Pine Ridge	SD	Incarcerated		Collection in Progress	
\$10,764.00	Individual	Jefferson	TX	Income Change		Collection in Progress	
\$10,691.00	Individual	Andrews	SC	Income Change		Collection in Progress	
\$10,453.00	Individual	Blair	OK	Income Change		Collection in Progress	
\$10,262.00	Individual	University City	MO	Income Change		Collection in Progress	
\$10,218.00	Individual	Hokes Bluff	AL	Income Change		Collection in Progress	
\$10,218.00	Individual	Springfield	MA	Income Change		Collection in Progress	
\$10,066.00	Individual	Highland Hills	OH	Incarcerated		Collection in Progress	
\$10,054.00	Individual	Wheatfield	IN	Income Change		Collection in Progress	
\$10,043.00	Individual	Boulder	CO	Income Change		Collection in Full	
\$9,951.00	Individual	Auburn	WA	Income Change		Collection in Progress	
\$9,732.00	Individual	Mobile	AL	Death of Beneficiary		Collection in Progress	
\$9,414.00	Individual	Vallejo	CA	Income Change		Collection in Progress	
\$9,180.00	Individual	Houston	TX	Incarcerated		Collection in Progress	
\$9,108.00	Individual	Coeur D Alene	ID	Income Change		Collection in Progress	
\$8,899.00	Individual	Del Rio	TX	Income Change		Collection in Progress	
\$8,600.00	Individual	Central Point	OR	Income Change		Collection in Progress	
\$8,550.00	Individual	Corning	NY	Death of Beneficiary		Collection in Progress	



Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$8,230.00	Individual	Skokie	IL	Income Change	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$7,976.00	Individual	Oshkosh	WI	Income Change		Collection in Progress	
\$7,956.00	Individual	Grand Rapids	MI	Income Change		Collection in Progress	
\$7,746.00	Individual	Largo	FL	Income Change		Collection in Progress	
\$7,666.00	Individual	Greenfield	OH	Incarcerated		Collection in Progress	
\$7,639.00	Individual	Saint Paul	MN	Income Change		Collection in Progress	
\$7,494.00	Individual	Richardson	TX	Income Change		Collection in Progress	
\$7,494.00	Individual	Sanger	TX	Income Change		Collection in Progress	
\$7,318.00	Individual	Houston	TX	Income Change		Collection in Progress	
\$7,236.00	Individual	Newport News	VA	Income Change		Collection in Progress	
\$7,216.00	Individual	Maryville	TN	Income Change		Collection in Progress	
\$7,075.00	Individual	Knoxville	TN	Income Change		Collection in Full	
\$6,868.00	Individual	Grayson	KY	Income Change		Collection in Full	
\$6,812.00	Individual	Grayson	KY	Income Change		Collection in Progress	
\$6,812.00	Individual	Melbourne	FL	Death of Beneficiary		Collection in Progress	
\$6,812.00	Individual	Pottstown	PA	Death of Beneficiary		Collection in Full	
\$6,812.00	Individual	Youngstown	OH	Death of Beneficiary		Collection in Progress	
\$6,783.00	Individual	Copley	OH	Income Change		Collection in Progress	
\$6,657.00	Individual	Phoenix	AZ	Death of Beneficiary		Collection in Progress	
\$6,569.00	Individual	Lupton	AZ	Income Change		Collection in Progress	
\$6,441.00	Individual	Shelton	WA	Income Change		Collection in Progress	
\$6,434.00	Individual	Fairgrove	MI	Income Change		Collection in Progress	
\$6,196.00	Individual	Santa Ana	CA	Incarcerated		Collection in Progress	
\$6,166.00	Individual	Vicksburg	MS	Income Change		Collection in Progress	
\$6,079.00	Individual	Frost	TX	Income Change		Collection in Progress	
\$6,066.00	Individual	Arlington	TX	Income Change		Collection in Progress	
\$6,030.00	Individual	Durham	NC	Income Change		Collection in Progress	
\$6,016.00	Individual	Orleans	VT	Income Change		Collection in Progress	
\$5,998.00	Individual	Las Vegas	NV	Income Change		Collection in Progress	
\$5,772.00	Individual	Ft Lauderdale	FL	Death of Beneficiary		Collection in Progress	
\$5,585.00	Individual	Gladys	VA	Income Change		Collection in Progress	
\$5,470.00	Individual	West Chester	PA	Death of Beneficiary		Collection in Progress	
\$5,470.00	Individual	Clifton Park	NY	Death of Beneficiary		Collection in Progress	
\$5,470.00	Individual	Santa Cruz	CA	Death of Beneficiary		Collection in Full	
\$5,394.00	Individual	Jacksonville	FL	Death of Beneficiary		Collection in Full	
\$5,394.00	Individual	Jacksonville	FL	Death of Beneficiary		Collection in Progress	
\$5,351.00	Individual	Santa Rosa	TX	Incarcerated		Collection in Progress	
\$5,277.00	Individual	Nixa	MO	Income Change		Collection in Progress	
\$5,200.00	Individual	Jayuya	PR	Income Change		Collection in Progress	
\$5,109.00	Individual	San Juan	PR	Death of Beneficiary		Collection in Progress	
\$5,109.00	Individual	Drexel Hill	PA	Death of Beneficiary		Collection in Progress	
\$5,105.00	Individual	Detroit	MI	Death of Beneficiary		Collection in Full	
\$5,099.00	Individual	Superior	CO	Income Change		Collection in Progress	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$5,062.00	Individual	Ashmore	IL	Income Change		Collection in Progress	
\$4,868.00	Individual	N Providence	RI	Income Change	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program as appropriate.	Collection in Progress	See Note Below Table.
\$4,604.00	Individual	Friendswood	TX	Income Change		Collection in Progress	
\$3,233.00	Individual	Nashville	TN	Income Change		Collection in Progress	
\$2,362.00	Individual	Warren	OH	Income Change		Collection in Progress	

Note:

- VBA workgroup – March 2012. The workgroup was implemented to formulate and implement strategy to reduce the amount of High Dollar Overpayments.
- Continue to provide reminders to the field offices of the provisions of Fast Letter (FL) 08-05, *Controls to Minimize Compensation Benefit Overpayments*, which requires the field to establish an End Product (EP) 690 in addition to the control EP. The purpose of EP 690 is to help monitor timeliness in completing action on pending issues with potential overpayments. That same EP is used in potential pension overpayment cases.
- Continue to provide reminders to the field offices of the current procedures for monitoring notice of exception reports per FL 08-09, *Prioritization and Processing of System-Generated Messages (Writeouts)*. The FL provides guidance for prioritization and processing of system-generated messages (write-outs) to reduce or eliminate overpayment or underpayment of VA benefits.
- Develop specific guidance on pension benefit adjustments.
- Provide guidance under M21-1MR, Part I, Chapter 2.B.7.a, which requires field personnel to resolve claims involving due process when the associated controls mature.
- Continue to provide feedback to field employees, through PMC conference calls.
- Share the findings from this review with the field, so they can implement local reviews and address local high-dollar overpayment issues.
- Include matching program training in the mandatory topics for the FY 2012 National Pension Training Curriculum.

### 3. Education Program

There were 18,985 Education overpayments initially identified in third Quarter of FY 2012. A random sample of 269 Education overpayments was reviewed. The review revealed a total of 21 overpayments due to either VA error (8 or 3 percent) or school error (13 or 4.8 percent) for an error rate of 7.8 percent. This compares to a 7.5 percent overpayment rate due to VA error and a 3.6 percent overpayment rate due to school error in the second quarter of FY 2012. The remaining 248 overpayments in the sample were proper at the time of payment but later changed due to students changing enrollment status. These 248 overpayments accounted for 92.2 percent of all overpayments in the third quarter of FY 2012. Of the initial 18,985 Education overpayments identified, 50.2 percent were to entities and 49.8 percent were to individuals. Based on the review of the sample, it is estimated that there were a total of 1,461 overpayments (550 due to VA error and 911 due to school error). It is estimated that the remaining 17,524 were correct on the date of payment but later changed based on students changing enrollment status.

The errors identified in the sample accounted for 7.6 percent of the total value of overpayments in the sample. The total value of all overpayments was \$66,917,110.44. Based on the findings of the review, the estimated total value of overpayments due to VA error is \$1,940,596.20 and the estimated total value of overpayments due to school error was \$3,212,021.30. The remaining amount of \$61,764,492.94 is estimated to come from payments that were correct at the time of payment.

Total Education payments made this quarter: \$2,130,335,163.64

Projected High-Dollar Overpayments for this quarter: \$66,917,110.44

Percent of Projected High-Dollar Overpayments: 3.14

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$22,388.61	Entity	Fredericksburg	VA	VA Error	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$12,471.99	Entity	Pittsburgh	PA	Retroactive Adjustment by Law		Collection in Full	
\$11,035.20	Entity	Lake Worth	FL	Retroactive Adjustment by Law		Collection in Full	
\$8,600.00	Entity	Champaign	IL	Retroactive Adjustment by Law		Collection in Progress	
\$7,854.15	Individual	Galloway	NJ	Retroactive Adjustment by Law		Collection in Progress	
\$7,303.30	Entity	Daytona Beach	FL	Retroactive Adjustment by Law		Collection in Full	
\$7,252.20	Entity	Oxnard	CA	Retroactive Adjustment by Law		Collection in Full	
\$6,930.68	Entity	Mendota Heights	MN	Retroactive Adjustment by Law		Collection in Progress	
\$6,851.40	Individual	Tamarac	FL	Retroactive Adjustment by Law		Collection in Progress	
\$6,791.30	Individual	Savannah	GA	Retroactive Adjustment by Law		Collection in Progress	
\$6,735.73	Individual	Mt. Vernon	NY	Retroactive Adjustment by Law		Collection in Progress	
\$6,603.48	Entity	Wood Dale	IL	Retroactive Adjustment by Law		Collection in Full	
\$6,536.16	Entity	Clinton	IA	Retroactive Adjustment by Law		Collection in Full	
\$6,445.65	Individual	Miami	FL	Retroactive Adjustment by Law		Collection in Progress	
\$6,277.00	Entity	Norfolk	VA	Retroactive Adjustment by Law		Collection in Full	
\$6,243.75	Individual	Miami Garden	FL	Retroactive Adjustment by Law		Collection in Progress	
\$6,116.00	Entity	Merion Station	PA	VA Error		Collection in Full	
\$6,060.48	Individual	Coral Gables	FL	Retroactive Adjustment by Law		Collection in Progress	
\$5,302.80	Individual	Chicago	IL	Retroactive Adjustment by Law		Collection in Progress	
\$5,173.00	Entity	Bessemer	AL	Retroactive Adjustment by Law		Collection in Full	
\$5,097.86	Entity	Tallahassee	FL	School Error		Collection in Progress	
\$5,088.53	Individual	West New York	NJ	Retroactive Adjustment by Law		Collection in Progress	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$4,915.55	Entity	Brownsville	TX	School Error	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$4,803.87	Individual	Fort Worth	TX	Retroactive Adjustment by Law		Collection in Progress	
\$4,681.65	Entity	San Diego	CA	VA Error		Collection in Progress	
\$4,559.50	Entity	Tucson	AZ	Retroactive Adjustment by Law		Collection in Progress	
\$4,522.00	Individual	Triangle	VA	Retroactive Adjustment by Law		Collection in Progress	
\$4,361.95	Entity	Bellingham	WA	VA Error		Collection in Full	
\$4,331.33	Individual	Albuquerque	NM	Retroactive Adjustment by Law		Collection in Full	
\$4,240.60	Entity	Maumee	OH	Retroactive Adjustment by Law		Collection in Full	
\$4,164.00	Individual	San Juan	PR	Retroactive Adjustment by Law		Collection in Full	
\$4,159.93	Individual	Houston	TX	Retroactive Adjustment by Law		Collection in Progress	
\$4,080.00	Entity	Crestwood	NY	School Error		Collection in Full	
\$4,060.00	Entity	Lemore	CA	Retroactive Adjustment by Law		Collection in Full	
\$4,035.26	Entity	Denver	CO	Retroactive Adjustment by Law		Collection in Full	
\$3,993.40	Individual	Spring Lake	NC	Retroactive Adjustment by Law		Collection in Full	
\$3,975.00	Entity	Thorndale	PA	Retroactive Adjustment by Law		Collection in Progress	
\$3,954.50	Individual	Allen	KY	Retroactive Adjustment by Law		Collection in Progress	
\$3,921.75	Individual	Glendale	AZ	Retroactive Adjustment by Law		Collection in Progress	
\$3,900.00	Entity	Arlington	VA	Retroactive Adjustment by Law		Collection in Full	
\$3,885.00	Individual	Fort Lee	VA	Retroactive Adjustment by Law		Collection in Progress	
\$3,840.60	Entity	Long Beach	CA	Retroactive Adjustment by Law		Collection in Full	
\$3,796.92	Individual	San Juan	PR	Retroactive Adjustment by Law		Collection in Progress	
\$3,764.21	Entity	Albuquerque	NM	Retroactive Adjustment by Law		Collection in Progress	
\$3,736.89	Entity	Bakersfield	CA	Retroactive Adjustment by Law		Collection in Progress	
\$3,735.00	Entity	Columbia	SC	Retroactive Adjustment by Law		Collection in Progress	
\$3,720.69	Entity	Bellevue	NE	Retroactive Adjustment by Law		Collection in Full	
\$3,655.80	Entity	Universal City	CA	Retroactive Adjustment by Law		Collection in Progress	
\$3,625.29	Entity	New York	NY	Retroactive Adjustment by Law		Collection in Progress	
\$3,588.77	Entity	Boulder	CO	Retroactive Adjustment by Law		Collection in Full	
\$3,519.60	Entity	Atlanta	GA	Retroactive Adjustment by Law		Collection in Full	
\$3,500.00	Entity	Corpus Christi	TX	School Error		Collection in Progress	
\$3,493.73	Entity	Orange	CA	Retroactive Adjustment by Law		Collection in Full	
\$3,492.00	Entity	Adelphi	MD	Retroactive Adjustment by Law		Collection in Progress	
\$3,476.50	Individual	Chilhowie	VA	Retroactive Adjustment by Law		Collection in Progress	
\$3,422.80	Entity	San Diego	CA	Retroactive Adjustment by Law		Collection in Progress	
\$3,417.76	Individual	Newbury Park	CA	Retroactive Adjustment by Law		Collection in Progress	
\$3,417.60	Individual	Astoria	NY	Retroactive Adjustment by Law		Collection in Progress	
\$3,407.01	Individual	Orlando	FL	Retroactive Adjustment by Law		Collection in Progress	
\$3,376.56	Entity	Leavenworth	KS	Retroactive Adjustment by Law		Collection in Progress	
\$3,367.20	Entity	San Diego	CA	Retroactive Adjustment by Law		Collection in Progress	
\$3,360.32	Entity	Kennesaw	GA	VA Error		Collection in Full	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$3,324.25	Individual	Murietta	CA	Retroactive Adjustment by Law	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$3,288.60	Entity	Beckley	WV	Retroactive Adjustment by Law		Collection in Progress	
\$3,258.26	Entity	Atlanta	GA	Retroactive Adjustment by Law		Collection in Full	
\$3,248.00	Entity	Minneapolis	MN	Retroactive Adjustment by Law		Collection in Full	
\$3,240.36	Entity	San Diego	CA	Retroactive Adjustment by Law		Collection in Progress	
\$3,229.20	Individual	Post	TX	Retroactive Adjustment by Law		Collection in Progress	
\$3,198.00	Entity	Naples	FL	Retroactive Adjustment by Law		Collection in Progress	
\$3,148.84	Individual	APO	AE	Retroactive Adjustment by Law		Collection in Progress	
\$3,126.00	Individual	Seale	AL	Retroactive Adjustment by Law		Collection in Progress	
\$3,104.32	Entity	Colorado Springs	CO	School Error		Collection in Progress	
\$3,093.66	Entity	Denver	CO	VA Error		Collection in Progress	
\$3,093.30	Entity	Minneapolis	MN	Retroactive Adjustment by Law		Collection in Progress	
\$3,073.00	Individual	New Orleans	LA	Retroactive Adjustment by Law		Collection in Full	
\$2,990.00	Individual	Quantico	VA	Retroactive Adjustment by Law		Collection in Progress	
\$2,896.74	Entity	Prescott	AZ	Retroactive Adjustment by Law		Collection in Full	
\$2,894.06	Individual	Cypress	TX	Retroactive Adjustment by Law		Collection in Progress	
\$2,893.40	Individual	Lytle	TX	Retroactive Adjustment by Law		Collection in Progress	
\$2,838.00	Individual	Suffolk	VA	Retroactive Adjustment by Law		Collection in Progress	
\$2,833.12	Individual	College Station	TX	Retroactive Adjustment by Law		Collection in Progress	
\$2,827.50	Entity	Seattle	WA	Retroactive Adjustment by Law		Collection in Progress	
\$2,826.60	Individual	Fort Wainwright	AK	Retroactive Adjustment by Law		Collection in Progress	
\$2,826.32	Entity	New York	NY	School Error		Collection in Full	
\$2,823.25	Individual	Vernon	TX	Retroactive Adjustment by Law		Collection in Progress	
\$2,756.34	Individual	Dallas	TX	Retroactive Adjustment by Law		Collection in Progress	
\$2,747.32	Entity	Jacksonville	FL	Retroactive Adjustment by Law		Collection in Progress	
\$2,724.36	Entity	Concord	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,716.21	Individual	Mobile	AL	Retroactive Adjustment by Law		Collection in Progress	
\$2,703.84	Individual	Layton	UT	Retroactive Adjustment by Law		Collection in Progress	
\$2,693.63	Entity	San Antonio	TX	Retroactive Adjustment by Law		Collection in Full	
\$2,680.53	Entity	Pasadena	CA	Retroactive Adjustment by Law		Collection in Full	
\$2,641.70	Individual	Graham	WA	Retroactive Adjustment by Law		Collection in Progress	
\$2,615.80	Individual	Carrollton	KY	Retroactive Adjustment by Law		Collection in Progress	
\$2,615.80	Individual	White Planes	NY	Retroactive Adjustment by Law		Collection in Progress	
\$2,613.75	Entity	Chula Vista	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,599.56	Individual	Milwaukee	WI	Retroactive Adjustment by Law		Collection in Progress	
\$2,592.00	Individual	Ben Lomond	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,590.56	Individual	Quincy	MA	Retroactive Adjustment by Law		Collection in Progress	
\$2,590.00	Individual	Avon	IN	Retroactive Adjustment by Law		Collection in Progress	
\$2,583.90	Entity	Gainsville	FL	School Error		Collection in Full	
\$2,564.72	Individual	Hillsboro	MO	Retroactive Adjustment by Law		Collection in Progress	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$2,562.00	Entity	University Center	MI	Retroactive Adjustment by Law	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$2,561.63	Entity	Jackson	MS	Retroactive Adjustment by Law		Collection in Full	
\$2,558.83	Individual	Nixon	TN	Retroactive Adjustment by Law		Collection in Progress	
\$2,553.20	Individual	Brooklyn	NY	Retroactive Adjustment by Law		Collection in Progress	
\$2,513.50	Individual	York	PA	Retroactive Adjustment by Law		Collection in Progress	
\$2,498.19	Entity	Beaufort	SC	Retroactive Adjustment by Law		Collection in Progress	
\$2,487.02	Entity	Olathe	KS	Retroactive Adjustment by Law		Collection in Full	
\$2,468.00	Entity	Clarksville	TN	Retroactive Adjustment by Law		Collection in Progress	
\$2,464.50	Individual	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Full	
\$2,440.00	Individual	East Lansing	MI	Retroactive Adjustment by Law		Collection in Progress	
\$2,430.45	Entity	San Diego	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,422.40	Individual	Bell	FL	Retroactive Adjustment by Law		Collection in Progress	
\$2,415.00	Entity	Adelphi	MD	Retroactive Adjustment by Law		Collection in Progress	
\$2,391.89	Individual	Charlotte	NC	Retroactive Adjustment by Law		Collection in Progress	
\$2,387.60	Individual	El Cajon	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,357.36	Individual	Los Angeles	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,352.44	Individual	French Camp	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,341.71	Individual	Kenner	LA	Retroactive Adjustment by Law		Collection in Progress	
\$2,329.89	Individual	Raleigh	NC	Retroactive Adjustment by Law		Collection in Full	
\$2,297.00	Entity	Madison	AL	Retroactive Adjustment by Law		Collection in Progress	
\$2,294.67	Entity	Lincoln	NE	Retroactive Adjustment by Law		Collection in Progress	
\$2,288.20	Individual	Escondido	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,281.00	Entity	Hollywood	CA	Retroactive Adjustment by Law		Collection in Full	
\$2,260.08	Individual	Arlington	VA	Retroactive Adjustment by Law		Collection in Progress	
\$2,256.00	Individual	Wilmington	NC	Retroactive Adjustment by Law		Collection in Progress	
\$2,250.00	Entity	Beaufort	SC	Retroactive Adjustment by Law		Collection in Progress	
\$2,250.00	Individual	Lexington	SC	Retroactive Adjustment by Law		Collection in Progress	
\$2,246.40	Individual	Franklin	TN	Retroactive Adjustment by Law		Collection in Progress	
\$2,241.47	Individual	Princeton	IL	Retroactive Adjustment by Law		Collection in Full	
\$2,239.87	Individual	Columbus	GA	Retroactive Adjustment by Law		Collection in Progress	
\$2,234.40	Individual	Ozark	AL	Retroactive Adjustment by Law		Collection in Progress	
\$2,221.97	Entity	El Segundo	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,205.87	Individual	Covington	WA	Retroactive Adjustment by Law		Collection in Progress	
\$2,205.00	Entity	Allendale	MI	Retroactive Adjustment by Law		Collection in Progress	
\$2,178.87	Individual	Tampa	FL	Retroactive Adjustment by Law		Collection in Progress	
\$2,160.00	Entity	Aurora	CO	Retroactive Adjustment by Law		Collection in Progress	
\$2,146.78	Individual	Philadelphia	PA	Retroactive Adjustment by Law		Collection in Progress	
\$2,144.70	Individual	Fort Lauderdale	FL	Retroactive Adjustment by Law		Collection in Progress	
\$2,142.99	Individual	San Francisco	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,137.30	Entity	Fresno	CA	Retroactive Adjustment by Law		Collection in Full	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$2,122.16	Individual	Miami	FL	Retroactive Adjustment by Law	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$2,120.00	Individual	El Centro	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,119.43	Individual	Tomball	TX	Retroactive Adjustment by Law		Collection in Progress	
\$2,115.00	Entity	Avondale	AZ	Retroactive Adjustment by Law		Collection in Full	
\$2,112.00	Individual	Tacoma	WA	Retroactive Adjustment by Law		Collection in Progress	
\$2,102.40	Entity	Villanova	PA	School Error		Collection in Full	
\$2,101.66	Individual	Provo	UT	Retroactive Adjustment by Law		Collection in Full	
\$2,051.10	Entity	Sarasota	FL	School Error		Collection in Full	
\$2,034.66	Entity	El Cajon	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,028.94	Individual	Wink	TX	Retroactive Adjustment by Law		Collection in Progress	
\$2,020.67	Entity	AP	AE	Retroactive Adjustment by Law		Collection in Full	
\$2,012.80	Individual	Mabelton	GA	Retroactive Adjustment by Law		Collection in Full	
\$2,012.00	Entity	Tampa	FL	Retroactive Adjustment by Law		Collection in Progress	
\$2,002.86	Individual	Stellingham	WA	Retroactive Adjustment by Law		Collection in Progress	
\$1,994.40	Individual	Dinuba	CA	Retroactive Adjustment by Law		Collection in Progress	
\$1,978.13	Entity	Fort Wayne	IN	Retroactive Adjustment by Law		Collection in Full	
\$1,968.37	Individual	Mansfield	TX	Retroactive Adjustment by Law		Collection in Progress	
\$1,962.00	Individual	Vega	TX	Retroactive Adjustment by Law		Collection in Progress	
\$1,960.00	Entity	Pasadena	CA	Retroactive Adjustment by Law		Collection in Full	
\$1,952.00	Entity	New York	NY	School Error		Collection in Progress	
\$1,950.00	Entity	Decatur	GA	Retroactive Adjustment by Law		Collection in Progress	
\$1,948.80	Individual	Orlando	FL	Retroactive Adjustment by Law		Collection in Progress	
\$1,942.50	Entity	Overland Park	KS	VA Error		Collection in Full	
\$1,932.67	Individual	Merrillville	IN	Retroactive Adjustment by Law		Collection in Progress	
\$1,924.96	Individual	Huntington Beach	CA	Retroactive Adjustment by Law		Collection in Progress	
\$1,908.00	Individual	Deptford	NJ	Retroactive Adjustment by Law		Collection in Progress	
\$1,899.66	Entity	Riverdale	NY	Retroactive Adjustment by Law		Collection in Full	
\$1,882.40	Entity	Austin	TX	Retroactive Adjustment by Law		Collection in Progress	
\$1,880.00	Individual	Cotati	CA	Retroactive Adjustment by Law		Collection in Full	
\$1,879.20	Entity	Sacramento	CA	School Error		Collection in Progress	
\$1,873.80	Entity	Arlington	VA	Retroactive Adjustment by Law		Collection in Progress	
\$1,872.03	Individual	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Full	
\$1,872.00	Individual	Fallbrook	CA	Retroactive Adjustment by Law		Collection in Progress	
\$1,865.07	Entity	Fullerton	CA	Retroactive Adjustment by Law		Collection in Progress	
\$1,862.82	Entity	Tukwila	WA	Retroactive Adjustment by Law		Collection in Full	
\$1,852.60	Individual	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Progress	
\$1,848.31	Individual	Kissimmee	FL	Retroactive Adjustment by Law		Collection in Progress	
\$1,845.07	Entity	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Progress	
\$1,841.91	Entity	Clinton	IA	Retroactive Adjustment by Law		Collection in Progress	
\$1,825.74	Entity	Clinton	IA	Retroactive Adjustment by Law		Collection in Full	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$1,818.30	Entity	Clinton	IA	Retroactive Adjustment by Law	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Full	See Note Below Table.
\$1,811.60	Individual	Jacksonville	FL	Retroactive Adjustment by Law		Collection in Progress	
\$1,800.00	Individual	Caldwell	ID	Retroactive Adjustment by Law		Collection in Progress	
\$1,797.65	Entity	Rancho Cucamonga	CA	Retroactive Adjustment by Law		Collection in Progress	
\$1,787.31	Individual	Junction City	KS	Retroactive Adjustment by Law		Collection in Progress	
\$1,774.80	Entity	Fayetteville	AR	Retroactive Adjustment by Law		Collection in Progress	
\$1,773.77	Entity	Portland	OR	Retroactive Adjustment by Law		Collection in Full	
\$1,762.23	Entity	Sioux City	IA	Retroactive Adjustment by Law		Collection in Progress	
\$1,761.60	Entity	Lebanon	IL	Retroactive Adjustment by Law		Collection in Progress	
\$1,751.29	Individual	Colchester	IL	Retroactive Adjustment by Law		Collection in Full	
\$1,745.80	Individual	Pine Bluff	AR	Retroactive Adjustment by Law		Collection in Progress	
\$1,744.67	Entity	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Progress	
\$1,740.29	Individual	Chicago	IL	Retroactive Adjustment by Law		Collection in Progress	
\$1,733.13	Entity	Columbia	MD	Retroactive Adjustment by Law		Collection in Progress	
\$1,723.03	Individual	Sugarland	TX	Retroactive Adjustment by Law		Collection in Progress	
\$1,721.95	Individual	St. Petersburg	FL	Retroactive Adjustment by Law		Collection in Progress	
\$1,717.02	Individual	Waldorf	MD	Retroactive Adjustment by Law		Collection in Progress	
\$1,692.00	Individual	Fairbanks	AK	Retroactive Adjustment by Law		Collection in Progress	
\$1,680.00	Individual	Fairview	OR	Retroactive Adjustment by Law		Collection in Progress	
\$14,376.00	Entity	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Progress	
\$12,575.00	Individual	Birmingham	AL	Retroactive Adjustment by Law		Collection in Progress	
\$10,404.71	Individual	Reno	NV	Retroactive Adjustment by Law		Collection in Progress	
\$9,373.00	Entity	Knoxville	TN	VA Error		Collection in Full	
\$7,180.00	Entity	Wood Dale	IL	Retroactive Adjustment by Law		Collection in Progress	
\$7,020.00	Entity	Melbourne	FL	Retroactive Adjustment by Law		Collection in Full	
\$6,855.50	Entity	Warwick	RI	Retroactive Adjustment by Law		Collection in Full	
\$6,800.00	Individual	Alabaster	AL	Retroactive Adjustment by Law		Collection in Full	
\$6,655.50	Individual	Huntsville	AL	Retroactive Adjustment by Law		Collection in Progress	
\$5,774.00	Individual	Oakland	IL	Retroactive Adjustment by Law		Collection in Progress	
\$5,754.94	Individual	Cameron	NC	Retroactive Adjustment by Law		Collection in Progress	
\$5,668.00	Entity	Baltimore	MD	Retroactive Adjustment by Law		Collection in Progress	
\$5,450.46	Individual	Minot	ND	Retroactive Adjustment by Law		Collection in Progress	
\$5,289.96	Entity	Costa Mesa	CA	Retroactive Adjustment by Law		Collection in Progress	
\$5,280.00	Individual	Denver	CO	Retroactive Adjustment by Law		Collection in Progress	
\$5,216.33	Individual	Holiday	FL	Retroactive Adjustment by Law		Collection in Progress	
\$5,204.60	Entity	Rapid City	SD	Retroactive Adjustment by Law		Collection in Full	
\$5,037.00	Individual	Jonesboro	GA	Retroactive Adjustment by Law		Collection in Progress	
\$4,817.23	Entity	San Diego	CA	Retroactive Adjustment by Law		Collection in Progress	
\$4,420.00	Entity	Coolidge	AZ	Retroactive Adjustment by Law		Collection in Full	
\$4,306.81	Entity	Pittsburgh	PA	Retroactive Adjustment by Law		Collection in Progress	



Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$4,260.28	Entity	Scottsdale	AZ	Retroactive Adjustment by Law	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$4,230.90	Entity	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Progress	
\$3,946.55	Entity	Phoenix	AZ	Retroactive Adjustment by Law		Collection in Progress	
\$3,888.00	Individual	Columbia	MS	Retroactive Adjustment by Law		Collection in Progress	
\$3,886.72	Entity	San Diego	CA	Retroactive Adjustment by Law		Collection in Progress	
\$3,633.40	Individual	Nampa	ID	Retroactive Adjustment by Law		Collection in Progress	
\$3,590.80	Individual	Milwaukee	WI	Retroactive Adjustment by Law		Collection in Progress	
\$3,452.50	Individual	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Full	
\$3,364.49	Entity	Aiken	SC	Retroactive Adjustment by Law		Collection in Progress	
\$3,362.23	Individual	River Falls	WI	Retroactive Adjustment by Law		Collection in Progress	
\$3,158.00	Individual	Lincoln	NE	School Error		Collection in Progress	
\$3,120.00	Entity	Daytona Beach	FL	Retroactive Adjustment by Law		Collection in Progress	
\$3,004.00	Individual	Bolingbrook	IL	Retroactive Adjustment by Law		Collection in Progress	
\$2,979.90	Individual	Wilson	NC	Retroactive Adjustment by Law		Collection in Progress	
\$2,798.70	Individual	Cheyenne	WY	Retroactive Adjustment by Law		Collection in Progress	
\$2,720.88	Individual	Noblesville	IN	Retroactive Adjustment by Law		Collection in Progress	
\$2,634.40	Individual	Southwick	MA	Retroactive Adjustment by Law		Collection in Progress	
\$2,561.67	Entity	Detroit	MI	Retroactive Adjustment by Law		Collection in Progress	
\$2,523.10	Individual	Greenville	MI	Retroactive Adjustment by Law		Collection in Progress	
\$2,511.00	Individual	Harker Heights	TX	Retroactive Adjustment by Law		Collection in Full	
\$2,500.99	Entity	Lakewood	OH	Retroactive Adjustment by Law		Collection in Progress	
\$2,500.00	Individual	Boca Raton	FL	Retroactive Adjustment by Law		Collection in Progress	
\$2,476.54	Individual	Minot AFB	ND	Retroactive Adjustment by Law		Collection in Progress	
\$2,469.50	Entity	Phoenix	AZ	Retroactive Adjustment by Law		Collection in Full	
\$2,431.65	Individual	Howell	MI	Retroactive Adjustment by Law		Collection in Progress	
\$2,418.75	Individual	Lutherville	MD	Retroactive Adjustment by Law		Collection in Full	
\$2,376.67	Individual	Stanton	MI	Retroactive Adjustment by Law		Collection in Progress	
\$2,340.00	Individual	Centreville	VA	Retroactive Adjustment by Law		Collection in Progress	
\$2,297.14	Entity	Riverdale	GA	Retroactive Adjustment by Law		Collection in Progress	
\$2,291.04	Individual	Donna	TX	Retroactive Adjustment by Law		Collection in Progress	
\$2,269.89	Entity	Pittsburgh	PA	School Error		Collection in Progress	
\$2,250.00	Entity	San Diego	CA	Retroactive Adjustment by Law		Collection in Progress	
\$2,250.00	Individual	Montgomery	AL	Retroactive Adjustment by Law		Collection in Progress	
\$2,218.50	Individual	Northport	AL	Retroactive Adjustment by Law		Collection in Progress	
\$2,181.60	Individual	Roswell	GA	Retroactive Adjustment by Law		Collection in Progress	
\$2,102.00	Entity	Orlando	FL	Retroactive Adjustment by Law		Collection in Progress	
\$2,095.20	Individual	Niceville	FL	Retroactive Adjustment by Law		Collection in Progress	
\$2,090.00	Entity	Jackson	MI	Retroactive Adjustment by Law		Collection in Progress	
\$2,065.38	Individual	Modesto	CA	Retroactive Adjustment by Law		Collection in Progress	
\$1,980.00	Individual	Austin	TX	Retroactive Adjustment by Law		Collection in Progress	

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$1,968.00	Entity	Seattle	WA	Retroactive Adjustment by Law	Overpayments are routinely recovered from future benefits awarded. If not recovered, further actions are then taken by the VA Debt Management Center, including referral to the Treasury Offset Program, as appropriate.	Collection in Progress	See Note Below Table.
\$1,914.00	Entity	San Marcos	TX	Retroactive Adjustment by Law		Collection in Progress	
\$1,851.62	Individual	El Paso	TX	Retroactive Adjustment by Law		Collection in Progress	
\$1,826.28	Individual	Oviedo	FL	Retroactive Adjustment by Law		Collection in Progress	
\$1,820.00	Individual	Fayetteville	NC	Retroactive Adjustment by Law		Collection in Full	
\$1,690.70	Entity	Lansing	MI	Retroactive Adjustment by Law		Collection in Full	
\$1,680.00	Entity	Colorado Springs	CO	Retroactive Adjustment by Law		Collection in Progress	

**Note:**

To reduce the number of payments later adjusted due to students changing enrollment status, VA provides cautionary information in print publications and electronic media, and also includes this information in letters to students each time they are awarded benefits.

The main causes of VA error were issuing duplicate payments and data input errors. In the second quarter of FY 2012 the most common VA errors were the same. Common errors identified are a result of human error. To decrease the potential for human error, VA continues to take a two step approach; one, focus on training employees; and two, field improvements in electronic processing systems to aid in decreasing human errors. Each Regional Processing Office and the Central Office have established training that employees are required to attend. Supervisory officials also monitor individual employee performance and provide additional training as necessary. Fielding improvements in electronic processing systems continues to be a challenge for VA due to recent and possible future statutory changes in the Post-9/11 GI Bill. The recent changes required VA to redirect its Information Technology resources away from enhancing current systems to developing changes to current systems to reflect the recent Post-9/11 GI Bill changes. Barring further statutory changes, VA expects to implement additional enhancements in FY 2012, which are intended to decrease human errors.

The main cause of school error remains incorrect reporting of tuition and fees. VA published a Nationwide School Certifying Official Handbook, which establishes common requirements and detailed instructions for School Certifying Officials to prepare and submit enrollment and attendance information to VA. In addition, recent statutory changes authorized State Approving Agencies to conduct school Compliance Surveys. This will increase VA presence on campuses and enable additional assessment of school official compliance and increase VA opportunities to provide focused training for school officials.

#### 4. Vocational Rehabilitation and Employment (VR&E)

For the third quarter of FY 2012, there were 65 records for VR&E Service that met the high dollar overpayment criteria.

Eleven overpayments (17 percent) were created due to school error. This is mainly caused when a school provides a school certification with information that is incorrect or not updated in regards to the number of credits a Veteran is enrolled for in a particular semester. This causes the subsistence allowance to be processed at a certain amount and then has to be adjusted based on the Veteran's actual number of credits they are pursuing. An overpayment is created because the Veteran is only entitled to receive subsistence allowance based on number of credits being pursued. This also occurs when a Veteran drops a class during add/drop period but the school does not provide the certification until after add/drop period closes.

Three overpayments (5 percent) were caused due to VA error. A Vocational Rehabilitation Counselor (VRC) is in charge of processing an award based on credits being pursued and number of dependents for a particular Veteran. These instances were mainly due to the following:

- Veteran's subsistence allowance award was stopped to change number of dependents. However, full file pass (FFP) ended and the award was not re-processed in enough time to collect back the overpayment. FFP is the last day of the month to process a payment in order for the Veteran to receive payment (or reduction in pay) by the 1<sup>st</sup> of the following month.
- VRC was notified of a change in Veteran's training facility but award was not stopped in time.
- Subsistence allowance award was processed at a higher rate of pursuit and did not match certification from the school.

Forty-four overpayments (67 percent) were actually payments that were properly made at the time they were disbursed. However, most of these overpayments occurred when the Veteran failed to timely inform their VRC of any changes in enrollment. Therefore, by the time change was known and proper documentation was obtained from the school, an overpayment was created.

Seven overpayments (11 percent) were due to other causes. These were mainly due to medical issues. Based on information gathered from the field, Veterans had medical issues that prevented them from continuing with their training and notifying their counselors in a timely manner. Mitigating circumstances were granted in most instances but by the time the award was stopped, an overpayment was still created.

Total VR&E payments made this quarter: \$192,505,150.46

Total of high-dollar overpayments identified in this quarter: \$182,751.03

Percent of random sample overpayments: 0.09

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$9,496.89	Individual	Ft. Stewart	GA	Proper payment when disbursed	265.00 monthly repayment plan	Collection in Full	Veteran counseled on maintaining communication with case manager in the future to ensure that an overpayment will not occur again
\$6,768.28	Individual	St. Paul	MN	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran stopped attending and did not inform VRC. Counseled on reporting changes.
\$6,549.00	Individual	Woodbridge	VA	VR&E Error	Established Code 3, collect all	Collection in Full	Provide additional training to staff on BDN award action

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$5,247.64	Individual	Houston	TX	Proper payment when disbursed	Benefits withheld	Collection in Progress	Changes made by Veteran
\$4,942.80	Individual	St. Petersburg	FL	School Error	Overpayment will be collected from compensation	Collection in Progress	Inform school to provide certification form timely
\$4,523.01	Individual	Baltimore	MD	Proper payment when disbursed	Overpayment will be collected from compensation	Collection in Progress	Veteran understands to contact counselor when changes are made
\$4,520.06	Individual	Waco	TX	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran dropped classes and did not inform VRC
\$4,277.70	Individual	Newark	NJ	Proper payment when disbursed	Overpayment will be collected from compensation	Collection in Progress	Counseled Veteran on communication with VRC
\$4,123.91	Individual	Baltimore	MD	School Error	Collection in Full	Collection in Full	Veteran understands to contact counselor when changes are made
\$4,104.59	Individual	Little Rock	AR	Other: Medical	Benefits withheld	Collection in Progress	Veteran in the hospital and was not able to reach counselor timely.
\$3,956.05	Individual	Baltimore	MD	Proper payment when disbursed	Overpayment will be collected from compensation	Collection in Progress	Veteran understands to contact counselor when changes are made
\$3,840.60	Individual	Salt Lake City	UT	Proper payment when disbursed	Benefits withheld	Collection in Progress	Counseled Veteran on providing updates about changes with school
\$3,534.96	Individual	Los Angeles	CA	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran dropped classes and did not inform VRC
\$3,503.49	Individual	Baltimore	MD	School Error	Overpayment will be collected from compensation	Collection in Progress	Veteran understands to contact counselor when changes are made
\$3,472.08	Individual	Los Angeles	CA	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran dropped classes and did not inform VRC
\$3,316.50	Individual	Baltimore	MD	Proper payment when disbursed	Overpayment will be collected from compensation	Collection in Progress	Veteran understands to contact counselor when changes are made
\$3,230.65	Individual	Phoenix	AZ	Other: Medical	Benefits withheld	Collection in Progress	Veteran was not able to continue with classes and did not inform VRC
\$3,105.50	Individual	Jackson Hinds	MS	School Error	Recoupment form compensation check	Collection in Progress	The first time withdrawal letter mailed to Veteran explaining why award was stopped, how can future withdrawals affect his subsistence allowance and will future withdrawals always create a debt
\$3,028.56	Individual	St. Louis	MO	Proper payment when disbursed	Benefits withheld	Collection in Progress	Informed Veteran that he needs to contact VRC when there is change in schedule
\$3,023.07	Individual	Portland	OR	Proper payment when disbursed	Benefits withheld	Collection in Progress	Counseled Veteran on informing counselor if changes are made
\$2,988.90	Individual	Fargo	ND	Other: Medical	Benefits withheld	Collection in Progress	Veteran had medical issues that prevented her from continuing school.
\$2,970.48	Individual	Indianapolis	IN	Proper payment when disbursed	Benefits withheld	Collection in Progress	Changes made and Veteran did not provide update. Reminded Veteran to

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
							communicate changes with VR&E
\$2,952.53	Individual	Phoenix	AZ	Proper payment when disbursed	Benefits withheld	Collection in Progress	Withdrawal and no mitigating circumstances
\$2,918.89	Individual	St. Louis	MO	School Error	Benefits withheld	Collection in Progress	Spoke with certifying official about the importance of receiving certifications timely
\$2,912.05	Individual	Chicago	IL	School Error	Benefits withheld	Collection in Progress	Changes made during add/drop but had to wait for certification from school. Spoke with certifying official
\$2,848.74	Individual	Decatur	GA	Proper payment when disbursed	Benefits withheld	Collection in Full	Veteran counseled on maintaining communication with case manager in the future to ensure that an overpayment will not occur again
\$2,542.43	Individual	New Orleans	LA	Proper payment when disbursed	Overpayment will be collected from compensation	Collection in Progress	Veteran reminded to contact counselor when changes are made with schedule
\$2,539.44	Individual	Indianapolis	IN	Proper payment when disbursed	Collection in Full	Collection in Full	Veteran changed schedule and did not inform counselor. Counseled veteran to provide information
\$2,525.51	Individual	Little Rock	AR	School Error	Benefits withheld	Collection in Progress	School erroneously reported last date of attendance in addition to reporting last the information untimely. Award was later corrected with the correct information.
\$2,488.66	Individual	Chapmanville	WV	Proper payment when disbursed	Adjusted award in BDN per regulations	Collection in Progress	Completed/VRC continue to monitor attendance of Ch31 Veterans
\$2,332.90	Individual	St. Louis	MO	School Error	Benefits withheld	Collection in Progress	Spoke with certifying official about the importance of receiving certifications timely
\$2,268.50	Individual	Phoenix	AZ	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran dropped classes and did not inform VRC
\$2,237.65	Individual	Rockledge	FL	Proper payment when disbursed	VRC created Debt in system. Money will be collected from future subsistence	Collection in Progress	Remind veteran to contact us as soon as she drops to avoid overpayment
\$2,185.40	Individual	Detroit	MI	Proper payment when disbursed	recoup from Compensation	Collection in Progress	personal issues resolved
\$2,173.39	Individual	Salt Lake City	UT	School Error	Benefits withheld	Collection in Progress	Certification for change of schedule incorrect
\$2,134.01	Individual	Salt Lake City	UT	Proper payment when disbursed	Benefits withheld	Collection in Progress	Counseled Veteran on providing updates about changes with school
\$2,130.05	Individual	Waco	TX	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran dropped classes and did not inform VRC
\$2,127.15	Individual	Muskogee	OK	Proper payment	Collection in Full	Collection in Full	Changes made to schedule. Reminded

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
				when disbursed			Veteran to provide update to VRC
\$2,108.24	Individual	Detroit	MI	School Error	Collection	Collection in Progress	Did not get certification with change of schedule in a timely manner
\$2,105.60	Individual	Phoenix	AZ	Proper payment when disbursed	Benefits withheld	Collection in Progress	Dropped during add/drop and did not inform VRC
\$2,089.08	Individual	Reno	NV	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran dropped classes and did not inform VRC
\$2,044.27	Individual	Houston	TX	Proper payment when disbursed	Benefits withheld	Collection in Progress	Proper payment when disbursed, Veteran stopped attending during middle of enrollment period and did not inform counselor
\$2,022.19	Individual	Cleveland	OH	Proper payment when disbursed	Overpayment will be collected from compensation	Collection in Progress	Veteran reminded that changes in schedule affect subsistence allowance
\$2,022.19	Individual	Salt Lake City	UT	Proper payment when disbursed	Benefits withheld	Collection in Progress	Counseled Veteran on providing updates about changes with school
\$1,992.63	Individual	Muskogee	OK	Proper payment when disbursed	Benefits withheld	Collection in Progress	Changes made to schedule. Reminded Veteran to provide update to VRC
\$1,969.18	Individual	Clarksville	TN	School Error	Overpayment will be collected from compensation	Collection in Progress	Improved communication with Certifying Officials to ensure terminations and reductions in training are reported timely.
\$1,965.50	Individual	Houston	TX	Proper payment when disbursed	Benefits withheld	Collection in Progress	Counseled Veteran on not making changes to schedule
\$1,922.30	Individual	Albuquerque	NM	Proper payment when disbursed	Benefits withheld	Collection in Progress	Change in schedule and no update from Veteran
\$1,922.30	Individual	Little Rock	AR	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran withdrew from a class and no mitigating circumstances granted
\$1,915.00	Individual	Buffalo,	NY	Proper payment when disbursed	Overpayment will be collected from compensation	Collection in Progress	Inform Veteran to contact VRC when changes are made to schedule
\$1,896.90	Individual	St. Paul	MN	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran made changes to schedule and did not report to VRC. Reminded to provide changes.
\$1,851.65	Individual	Columbia	SC	Other: Medical - had baby	collection	Collection in Progress	Have school promptly inform VRC of withdrawals
\$1,822.80	Individual	Boise	ID	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran went from full-time to 3/4 time and did not inform VRC.
\$1,807.75	Individual	Phoenix	AZ	Proper payment when disbursed	Benefits withheld	Collection in Progress	N/A
\$1,780.04	Individual	Portland	OR	Proper payment when disbursed	Benefits withheld	Collection in Progress	Counseled Veteran on informing counselor if changes are made
\$1,776.19	Individual	Phoenix	AZ	Proper payment when disbursed	Benefits withheld	Collection in Progress	N/A

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plans
\$1,766.35	Individual	Orange Park	FL	Other: dorp of schedule due to medical, mitigating grated but due to delay of notification was paid for 3 months	Due process has already rolled over to SHARE for collection from Comp payments	Collection in Progress	Remind veteran to contact us as soon as she drops to avoid overpayment
\$1,743.16	Individual	Greenville	SC	Proper payment when disbursed	collection	Collection in Progress	Have school promptly inform VRC of withdrawals
\$1,740.95	Individual	Phoenix	AZ	VR&E Error	Benefits withheld	Collection in Progress	Award completed at the full-time rate when certification was for 1/2 time. VR&E Officer counseled VRC.
\$1,719.70	Individual	Houston	TX	VR&E error. Overpayment of BAH rate. Paid at full time rate for half time rate of pursuit.	Debt transferred to VETSNET from BDN; Veteran will be contacted to establish a payment plan; Once established a recurring deduction will be input to continue until the debt is cleared or veteran submits final payment.	Collection in Progress	VR&E will develop a checklist process and involvement of finance prior to BDN actions related to stopping and restarting of Chapter 31 awards.
\$1,719.06	Individual	Atlanta	GA	Proper payment when disbursed	Benefits withheld	Collection in Full	Veteran counseled on maintaining communication with case manager in the future to ensure that an overpayment will not occur again
\$1,711.31	Individual	Houston	TX	Proper payment when disbursed	Benefits withheld	Collection in Progress	Veteran is aware that he now needs to report last dates of attendance to his VRC in the future to avoid any overpayments
\$1,701.38	Individual	Perry	MI	Proper payment when disbursed	recoup from Compensation	Collection in Progress	due process initiated to close case
\$1,128.58	Individual	Columbia	SC	Other: Medical	collection	Collection in Progress	Have school promptly inform VRC of withdrawals
\$664.71	Individual	Crawfordville	FL	Other: Medical	due process for 60 days, just created on 7/28/12	Collection in Progress	Remind veteran to contact us as soon as she drops to avoid overpayment

Note:

Overall, the number of high-dollar overpayments decreased from 102 in the second quarter to 65 in the third quarter. During the second Quarter review; there were a total of 22 overpayments due to school error. This has now decreased to 11 for this past quarter. This is due in part to the field having constant communication with certifying officials at the schools and reminding them of the importance of receiving certifications in a timely manner. Promoting a rapport with the certifying officials at the school has decreased the errors over time.

There has also been a decrease of the number of overpayments that were properly made at the time it was disbursed, going from 56 in the second quarter to 44 in the third quarter. This is an area that we continue to work in order to continue to reduce the number of overpayments. To support the reduction of the number of payments later adjusted due to students changing enrollment status, VR&E provides cautionary information in print publications and also includes this information in letters to students each time they are awarded benefits. VR&E also assigns a case manager to each Veteran in the program. The managers are reminded to communicate up-to-date information to Veterans on the benefits they receive, how they receive them, and the importance of informing VA of changes relative to training and dependent status, which could affect their subsistence allowance.

It is the responsibility of each VR&E Officer and other management staffs to ensure their case managers are provided appropriate training to address overpayment issues with Veterans. They must also conduct on-the-spot training based on quality reviews completed by the Quality Assurance team on a monthly basis. Quality assurance of cases helps to reduce human error by providing the right guidance and follow-up to ensure these errors are reduced. provide an update to the field during future VR&E Hotline Bulletin meetings continuing to communicate with the Veterans and provide constant reminders about the importance of communicating any changes in a timely manner.



## 5. Insurance

None.

## 6. Non-VA Care Fee Program

VHA identified 33 Non-VA Care Fee high-dollar overpayments totaling \$1,398,916 through the expanded efforts of the VHA Chief Business Office (CBO), the Veterans Integrated Service Networks (VISNs), and the Financial Services Center (FSC). High-dollar overpayments consisted of both single and cumulative payments. Of the overpayments, 16 overpayments totaling \$710,001 were caused by incorrect application of payment methodology. Six overpayments totaling \$190,987 were caused by duplicate payments. Six overpayments totaling \$224,083 were caused by data entry errors. Two overpayments totaling \$111,464 were caused by vendor billing errors. Two overpayments totaling \$93,020 were caused by failure to verify other health insurance (OHI) information and one for \$69,360 was paid to the wrong vendor.

The CBO Purchased Care Program Office worked closely with each VISN to identify high-dollar overpayments during the third quarter of 2012. VISN overpayments were consolidated nationally to ensure the appropriate capture of all high-dollar overpayments. Facilities used numerous techniques to identify overpayments. Those techniques included but are not limited to reviewing internal reports and bills of collections and conducting self audits and reviews. CBO internal reports included (1) monthly outlier reports, (2) monthly inpatient outlier reports, and (3) post payment duplicate reports. The FSC identified high-dollar overpayments during its payment reviews. Management Quality and Assurance Services (MQAS) and the VA Office of Inspector General (OIG), who identified high-dollar overpayments in prior quarters, reported no high-dollar overpayments this quarter.

Total Fee Payments made this quarter: \$1,160,177,120

Total High-Dollar Overpayments identified in this quarter: \$1,398,916

Percentage of Overpayments<sup>1</sup>: 0.12

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plan
\$95,519.38	Entity	Duluth	MN	Vendor billing error	Bill of collection	Collection in progress	See Note Below Table
\$84,291.00	Entity	Martinsville	VA	Data entry error	Refund received	Collection in full	
\$80,949.60	Entity	San Marcos	TX	Incorrect payment methodology	Bill of collection	Collection in progress	
\$74,853.94	Entity	San Antonio	TX	Incorrect payment methodology	Bill of collection	Collection in progress	
\$69,360.00	Entity	Columbus	OH	Incorrect vendor	Bill of collection	Collection in progress	
\$68,603.98	Entity	Victoria	TX	Incorrect payment methodology	Bill of collection	Collection in progress	
\$59,687.09	Entity	San Antonio	TX	Incorrect payment methodology	Bill of collection	Collection in progress	
\$56,266.10	Entity	Cleveland	OH	Failed to verify OHI	Bill of collection	Collection in progress	
\$53,670.63	Entity	San Antonio	TX	Incorrect payment methodology	Bill of collection	Collection in progress	
\$53,283.26	Entity	Jourdanton	TX	Incorrect payment methodology	Bill of collection	Collection in progress	
\$50,620.29	Entity	Seguin	TX	Incorrect payment methodology	Bill of collection	Collection in progress	
\$45,045.77	Entity	San Antonio	TX	Incorrect payment methodology	Bill of collection	Collection in progress	

<sup>1</sup> The "Percentage of Overpayments" compares high-dollar overpayments processed in prior quarters with the total payments processed in the third quarter.

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plan
\$41,232.63	Entity	Las Vegas	NV	Incorrect payment methodology	Refund received	Collection in full	See Note Below Table
\$40,895.39	Entity	Cleveland	OH	Duplicate payment	Bill of collection	Collection in progress	
\$38,392.32	Entity	Las Vegas	NV	Incorrect payment methodology	Refund received	Collection in full	
\$38,315.30	Entity	Columbia	MO	Duplicate payment	Bill of collection	Collection in progress	
\$36,806.64	Entity	Tucson/Maricopa	AZ	Duplicate payment	Refund received	Collection in full	
\$36,753.49	Entity	Dallas	TX	Failed to verify OHI	Bill of collection	Collection in progress	
\$36,635.17	Entity	multiple		Data entry error	Bill of collection	Collection in progress	
\$36,281.02	Entity	Atlanta	GA	Incorrect payment methodology	Bill of collection	Collection in progress	
\$34,515.06	Entity	Springfield	MO	Data entry error	Bill of collection	Collection in progress	
\$34,147.71	Entity	Minneapolis	MN	Data entry error	Bill of collection	Collection in progress	
\$33,653.01	Entity	Uvalde	TX	Incorrect payment methodology	Bill of collection	Collection in progress	
\$32,997.93	Entity	Los Angeles	AZ	Duplicate payment	Bill of collection	Collection in progress	
\$27,522.84	Entity	Hershey	PA	Incorrect payment methodology	Bill of collection	Collection in progress	
\$27,444.46	Entity	Salt Lake City	UT	Duplicate payment	Refund received	Collection in full	
\$19,176.17	Entity	Las Vegas	NV	Incorrect payment methodology	Refund received	Collection in full	
\$17,901.62	Entity	Fremont	NE	Data entry error	Refund received	Collection in full	
\$16,592.60	Entity	Fresno	CA	Data entry error	Bill of collection	Collection in progress	
\$15,945.08	Entity	Amarillo	TX	Vendor billing error	Refund received	Collection in full	
\$15,082.31	Entity	Astoria	OR	Incorrect payment methodology	Bill of collection	Collection in progress	
\$14,527.61	Entity	Kona	HI	Duplicate payment	Bill of collection	Collection in progress	
\$11,946.16	Entity	Beeville	TX	Incorrect payment methodology	Bill of collection	Collection in progress	

**Note:**

VHA will provide education and training to clerks on payment methodologies to ensure proper claim processing and on Snap Web to help identify potential duplicate payments.

## 7. State Home Per Diem Grant Program

VHA identified four State Home Per Diem Grant high-dollar overpayments totaling \$608,848 through the expanded efforts of the FSC and CBO. High-dollar overpayments consisted of both single and cumulative payments. Two overpayments totaling \$364,400 were paid to the wrong vendor, one overpayment totaling \$133,583 was caused by a payment processing error, and one overpayment totaling \$110,865 was caused by a duplicate payment.

MQAS and the OIG reported no high-dollar overpayments this quarter for State Home Per Diem Grants.

Total State Home Per Diem Grant Payments made this quarter: \$135,485,635

Total High-Dollar Overpayments identified in this quarter: \$608,847

Percentage of Overpayments<sup>2</sup>: 0.45

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plan
\$184,098.60	Entity	Minneapolis	MN	Incorrect vendor	Bill of collection	Collection in progress	See Note Below Table
\$180,301.50	Entity	Minneapolis	MN	Incorrect vendor	Bill of collection	Collection in progress	
\$133,582.60	Entity	Sacramento	CA	Payment processing error	Bill of collection	Collection in progress	
\$110,865.00	Entity	New York	NY	Duplicate payment	Bill of collection	Collection in progress	

**Note:**

To prevent future occurrence of overpayments in this program, VHA will provide additional training to staff.

<sup>2</sup> The “Percentage of Overpayments” compares high-dollar overpayments processed in prior quarters with the total payments processed in the third quarter.

## 8. Other Contractual Services Program

VHA identified 12 Other Contractual Services high-dollar overpayments totaling \$903,390 through the expanded efforts of MQAS, FSC and the VISNs. High-dollar overpayments consisted of both single and cumulative payments. Of the overpayments, one payment totaling \$427,894 was to an ineligible recipient. Five overpayments totaling \$209,290 were caused by incorrect payment methodologies. One overpayment totaling \$144,952 was caused by paying the incorrect vendor. Four overpayments totaling \$84,175 were caused by duplicate payments and the last overpayment totaling \$37,078 was caused by paying the incorrect amount.

MQAS identified overpayments during its station reviews, the FSC identified high-dollar overpayments during its payment reviews, and VISNs worked closely with each facility to identify high-dollar overpayments. The OIG reported no high-dollar overpayments this quarter for Other Contractual Services.

Total Other Contractual Services Payments made this quarter: \$552,346,441

Total High-Dollar Overpayments identified in this quarter: \$903,390

Percentage of Overpayments<sup>3</sup>: 0.16

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plan
\$427,894.00	Entity	Kansas City / Wyandotte	KS	Ineligible recipient	Bill of collection	Collection in progress	See Note Below Table
\$144,952.49	Entity	Mount Vernon	MO	Incorrect vendor	Bill of collection	Collection in progress	
\$60,860.00	Entity	Kansas City / Wyandotte	KS	Incorrect payment methodology	Bill of collection	Collection in progress	
\$59,285.00	Entity	Kansas City / Wyandotte	KS	Incorrect payment methodology	Bill of collection	Collection in progress	
\$44,674.00	Entity	Kansas City / Wyandotte	KS	Incorrect payment methodology	Bill of collection	Collection in progress	
\$37,078.12	Entity	Atlanta	GA	Incorrect amount	Bill of collection	Collection in progress	
\$29,389.00	Entity	Kansas City / Jackson	MO	Incorrect payment methodology	Bill of collection	Collection in progress	
\$28,951.78	Entity	Spokane	WA	Duplicate payment	Bill of collection	Collection in progress	
\$23,793.49	Entity	Weston	FL	Duplicate payment	Bill of collection	Collection in progress	
\$18,240.88	Entity	Omaha	NE	Duplicate payment	Bill of collection	Collection in progress	
\$15,082.31	Entity	Astoria	OR	Incorrect payment methodology	Bill of collection	Collection in progress	
\$13,188.45	Entity	Chatsworth	CA	Duplicate payment	Bill of collection	Collection in progress	

### Note:

To prevent future occurrence of overpayments in this program, VHA will provide additional training to staff.

<sup>3</sup> The "Percentage of Overpayments" compares high-dollar overpayments processed in prior quarters with the total payments processed in the third quarter.

## 9. Supplies and Materials Program

VHA identified one Supplies and Materials high-dollar overpayment totaling \$28,016 through the expanded efforts of the FSC and the VISNs. The high-dollar overpayment was due to paying the incorrect vendor.

The FSC and the VISNs identified high-dollar overpayments during its payment reviews. MQAS and the OIG reported no high-dollar overpayments this quarter for Supplies and Materials.

Total Supplies and Materials Payments made this quarter: \$356,892,534

Total High-Dollar Overpayments identified in this quarter: \$28,016

Percentage of Overpayments<sup>4</sup>: 0.007

Amount of Overpayment	Entity or Individual	City/County	State	Cause of Overpayment	Actions/Plans to Recover Overpayment	Status of Overpayment	Overall Action Plan
\$28,015.90	Entity	Carlisle	PA	Incorrect vendor	Bill of collection	Collection in progress	See Note Below Table

### Note:

VHA will provide additional training to prevent future overpayments in this program.

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<sup>4</sup> The “Percentage of Overpayments” compares high-dollar overpayments processed in prior quarters with the total payments processed in the third quarter.